



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

March 21, 2014

Harold Young
1437 Amelia Street
P O Drawer 9000
Orangeburg, SC 29116-9000

Dear Mr. Young:

The State Office of Victims Assistance (SOVA) is sending this notice to inform you that we have completed the Programmatic Review and Financial Audit for the Orangeburg County Victim Assistance Program and a copy of official report is attached for your review. Due to Proviso 89.61, SOVA is now legislatively mandated to conduct an audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with the law. If errors are found, the agency has 90 days from this meeting date to rectify the error and if the error is not rectified within the specified time period a penalty will be assessed.

Once again enclosed is a copy of our audit results. Please be advised that all SOVA audits and follow-up reviews are public information. You will have 5 business days from the completion date stated on the front of this report to provide me with a written response. At the end of 5 business days, this report will be posted on the SOVA website at www.sova.sc.gov under the SOVA auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Mr. Dexter L. Boyd at (803)734-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Barker".

Larry Barker, Ph.D.
Director

Cc: Sheriff Leroy Ravenell

VICTIMS' COMPENSATION • VICTIM/WITNESS ASSISTANCE • TRAINING • INFORMATION • REFERRALS

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Office of the Governor State Office of Victim Assistance

March 21, 2014

Programmatic Review and Financial Audit of Orangeburg County Victim Assistance FFA Funds

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Acronyms:

FFA – Fines, Fees, and Assessment

SOVA – State Office of Victims Assistance

SCLEVA – South Carolina Law Enforcement Victim Advocate

CASA – Citizens Against Sexual Assault

Introduction and Laws

PREFACE

This Programmatic Review and Financial Audit was initiated in response to the State Office of Victim Assistance's (SOVA) concerns regarding the victim assistance program and the Victim Assistance Fines, Fees and Assessment fund. On July 23, 2013, the Director of SOVA issued a letter to the County Administrator and the Sheriff's Department, informing them that SOVA will conduct a Programmatic Review and financial audit of the Orangeburg County Victim Assistance Program. The audit was conducted on August 29, 2013.

Governing Laws and Regulations

Proviso 89.61

General Provision 89.61. (GP: Assessment Audit / Crime Victim Funds) Effective July 1, 2011

If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14-1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is authorized to conduct an audit which shall include both a programmatic review and a financial audit of any entity or non-profit organization receiving victim assistance funding based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Title 16, Article 15 is an allowable expenditure.

Proviso 89.61(cont.)

Any local entity or non-profit organization ~~who~~ that receives funding from ~~victim assistance revenue generated from crime victim funds~~ is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the ~~budget being approved by the local budget's approval by the governing entity body of the entity~~ or non-profit organization. Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or non-profit organization's expenditures of victim assistance funds. Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or non-profit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. ~~In addition, any~~ Any entity or non-profit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty ~~of~~ in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures ~~in a fiscal year.~~ This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within ~~ninety~~ thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization's subsequent fiscal year appropriation.

***SC Code of Law
Title 14***

Courts – General Provisions

Collection/Disbursement of Crime Victim Monies at the Municipal & County Levels: below is a brief synopsis of applicable sections.

- **Sec. 14-1-206, subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in general sessions court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 35.35 % of the revenue generated by the assessment imposed in general sessions to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

- **Sec. 14-1-207 Subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in magistrate's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in magistrate's court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

Sec. 14-1-208 Subsection(s) A, B & D: A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in municipal court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

- **Sec. 14-1-211 Subsection A, B, &D:** A one hundred dollar surcharge is imposed on all convictions obtained in general sessions court and a twenty-five dollar surcharge is imposed on all convictions obtained in the magistrate's and municipal court must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer.

***SC Code of Law
Title 14 (cont)***

- **(B)** Any funds retained by the county or city treasurer must be deposited into a separate account for the exclusive use for all activities related to those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. These funds must be used for, but are not limited to, salaries, equipment that includes computer equipment and internet access, or other expenditures necessary for providing services to crime victims. All unused funds must be carried forward from year to year and used exclusively for the provision of services to the victims of crime.

All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years. **(D)** To ensure that surcharges imposed pursuant to this section are properly collected and remitted to the city or county treasurer, the annual independent external audit required to be performed for each municipality and each county must include a review of the accounting controls over the collection, reporting, and distribution of surcharges from the point of collection to the point of distribution and a supplementary schedule detailing all surcharges collected at the court level, and the amount remitted to the municipality or county.

The supplementary schedule must include the following elements:

- (a) All surcharges collected by the clerk of court for the general sessions, magistrates, or municipal court;
- (b) The amount of surcharges retained by the city or county treasurer pursuant to this section;
- (c) The amount of funds allocated to victim services by fund source; and
- (d) How those funds were expended, and any carry forward balances.

The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

Introduction and Legislative

AUDIT OBJECTIVES

The SC State Proviso 89.61 authorizes the State Office Victim Assistance to conduct a 90 day follow up audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving victim assistance funding. This is based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law.

Audit Objectives were:

- To determine if Orangeburg County maintained proper accountability of the Victim Assistance Fund.
 - To determine if Orangeburg County provided services to crime victims in accordance with State law.
 - To determine if the Orangeburg County Victim Assistance funds were expended in accordance with State law.
 - To determine if local municipal contracts were maintained in accordance with the State Office of Victim Assistance (SOVA) guidelines.
 - To determine if there are any donations to non-profit organizations.
 - To determine if Orangeburg County maintained compliance with state reporting requirements.
-

RESULTS IN BRIEF

<i>Accountability</i>	<p>Did Orangeburg County maintain proper accountability of the Victim Assistance Fund?</p> <p>No, Orangeburg County did not maintain proper accountability of the Victim Assistance Fund.</p>
<i>Victim Services Program</i>	<p>Were services provided to crime victims in accordance with State law?</p> <p>Yes, Orangeburg County provided services to crime victims in accordance with State law.</p>
<i>Expenditures</i>	<p>Were Victim Assistance Fines, Fees, and Assessment funds expended in accordance with State law?</p> <p>No, the Victim Assistance funds for Orangeburg County were not expended in accordance with State law.</p>
<i>Municipal Contracts</i>	<p>Were local municipal contracts maintained in accordance with the State Office of Victim Assistance (SOVA) guidelines?</p> <p>No. Orangeburg County has not maintained local municipal contracts in accordance with the State Office of Victim Assistance guidelines. The County was not utilizing the currently updated requirements for the development of victim service contracts, and did not require monthly, quarterly and year-end reports for services to crime victims.</p>
<i>Donations</i>	<p>Were there any donations to non-profit organizations?</p> <p>Yes, Orangeburg County donated funds in the amount of \$213,811.00 to Citizens Against Sexual Assault (CASA) Family Systems for direct victim services. However CASA will be required to reimburse the Victim Assistance Fund for unallowable expenses related to salaries and the main office operating expenditures in the amount of \$55,371.36.</p>
<i>State Reporting Req.</i>	<p>Has Orangeburg County maintained compliance with State reporting requirements?</p> <p>No, Orangeburg County has not maintained compliance with State reporting requirements by submitting State Treasurer Revenue Remittance Forms (STRRF's) by the fifteenth of each month. However, they have complied by completing an annual audit of their financial statements and submitting an annual victim assistance budget to SOVA.</p>

Objective(s), Conclusion(s), Recommendation(s), and Comments

A. Personnel/Victim Service Program

Objective	Did Orangeburg County maintain proper accountability of the Victim Assistance Fund?
Conclusion	No, Orangeburg County did not maintain proper accountability of the Victim Assistance Fund.
Background	Section 14-1-207 (D) of the SC Code of Law
Discussion	<p>During the audit site visit on August 29, 2013, SOVA interviewed several county officials to ensure accountability of the Victim Assistance Fund. Section 14-1-207 (D) of the South Carolina Code of Laws, as amended, states, “<i>First priority must be given to those victims’ assistance programs which are required by Article 15 of Title 16</i>” It was noted by the County Administrator that the Sheriff’s Victim Assistance Department is the only department that victim assistance funds are distributed to within the county. Victim Assistance funds are not kept in a separate physical bank account; however, the county does account for them separately in their financial statements. This is required by Section 14-1-207 (D) of the SC Code of Law which, as amended, states, “<i>All unused funds must be separately identified in the governmental entity’s adopted budget as funds unused and carried forward from previous years...</i>”</p> <p>The county has expenditure procedures in place as a part of their Code of Ordinances which states that all expenditures should conform to generally accepted accounting principles. In addition, the county has several other internal controls in place to ensure proper accountability of victim assistance funds including but not limited to, having more than one person review expenditures before approval as well as being in compliance with having an annual audit done of their financial statements which includes a Supplementary Schedule of Fines, Fees and Assessments.</p>
DEFICIT	Also, in preparation for this audit, SOVA noticed there was a large deficit in the victim assistance fund in the amount of \$220,120.00 .

When inquiring about the deficit, the county Finance Director and county Administrator stated it was caused by “ghost positions”. This meant staff was hired to fill positions that existed on paper for which county council budgeted no money for salaries.

The County Administrator also stated the current sheriff discontinued this practice; however, the debt had already been incurred.

The auditor questioned how the county continued to give such large amounts in donations with the possibility of depleting its own victim assistance fund for the county. The County Administrator and Finance Director were not able to answer this question. However, they stated the most recent donation was made on May 22, 2013 to CASA and that the county would not make any further donations until the victim assistance fund was no longer considered to be in a deficit.

When asked how the county planned to take care of the **\$220,120.00** deficit, the County Administrator stated at the end of the year if they have extra funds left over, they would transfer it to the Victim Assistance Fund to gradually reduce the deficit. The auditor recommends the county discontinue donations from the victim assistance funds until their victim assistance fund is no longer in a deficit. Also, the county will be required to submit supporting documents each year along with their Victim Assistance budget to show how much has been transferred from the general fund to offset the deficit and show the remaining deficit amounts. Supporting documentation will consist of or include, but not limited to the county’s annual audit.(see E-2)

If the annual audit is not available when the victim assistance budget is submitted, then the documentation submitted to the County’s auditor to determine the deficit amount each year can be submitted in its place. All parties involved should meet if a donation is warranted to determine how the funds will be donated and spent as well as tracked.(see E-3) Also, SOVA recommends that for future donations that all forms and procedures on SOVA’s website be used and followed to account for donated funds. (see E-4)

Recommendation(s)
and Comments

A-1.

It is recommended the county discontinue donating victim assistance funds until their Victim Assistance Fund is no longer in a deficit. Also, the county will need to submit supporting documents each year along with their Victim Assistance budget to show how much has been transferred in their victim fund from the general fund to offset the deficit and the remaining amount of the deficit is paid in full.

Objective(s), Conclusion(s), Recommendation(s), and Comments

B. Victim Witness FFA Funding Records**Objective**

Were services provided to crime victims in accordance with State law?

Conclusion

Yes, Orangeburg County has provided services to crime victims in accordance with State law.

Background

Article 1 Section 24 of the South Carolina Constitution

Discussion

While reviewing the victim assistance program for Orangeburg County, SOVA requested job descriptions, training information, status of Victim Service Provider (VSP) certification and other information regarding the county Victim Advocate program and services provided to crime victims. The auditor reviewed information to ensure victims are afforded all rights and services to them under the "Victim Bill of Rights (Article 1 Section 24 of the South Carolina Constitution).

**VICTIM SERVICE
TRAINING AND
CERTIFICATION**

According to the Office of Victim Services Education and Certification (OVSEC), VSP's are required to complete 15 basic core hours of training within one year of their date of hire and an additional 12 hours of training each year to maintain their certification. Orangeburg County submitted documentation for 4 Victim Advocates and it appears that all advocates are VSP certified and are current with the necessary hours to maintain their certification. Prior to the audit site visit, a concern was noted due to a news article related to the county increasing their training efforts. The current County Administrator mentioned that one way he has tightened county finances is; instead of having employees go out for training, the county installed video conferencing so training could come to the employees. While this may be a good practice, it is noted as a concern because victim advocates usually require specialized training they may not obtain through video conferencing.

Discussion Cont.

The auditor inquired about this during the audit site visit and the County Administrator stated that the video conferencing pertained to employee training for County employees as a whole. Also, the Victim Assistance Department is responsible for attending training specifically related to victim assistance. While interviewing the Sheriff and Director of Victim Services, they informed SOVA that all advocates are allowed to attend outside training in which they can acquire the necessary skills and maintain working relationships with other VSP colleagues around the State.

JOB DESCRIPTIONS

Prior to the audit site visit, the County also submitted job descriptions for each advocate. Upon review, there were several concerns noted. Some of the following concerns were listed under Specific Duties and Responsibilities:

- Outreach services were mentioned however it does not specifically identify whether these services are direct victim assistance related.
- The job descriptions listed the advocates preparing evidence which is not allowable.
- The job descriptions listed the advocates analyzing and monitoring victim statistics within the County in order to better assess the needs of the community. While this may be a good practice, the statistics analyzed and monitored will need to be victim related and specified in the job description.
- None of the job descriptions mentioned direct victim services such as helping a victim fill out a Crime Victim Compensation application or making referrals to agencies on behalf of the victim which are all an important part of the services advocates provide.

The victim services overview located on the Orangeburg County Sheriff's Office website was reviewed by the auditor. On the website, the information noted services provided to victims and was an excellent example of what should be included in the job descriptions for each advocate.

During the audit site visit, SOVA recommended the county amend the job descriptions to accurately reflect the direct services that are outlined on the county website and being provided to crime victims.(see B-1)

Recommendation(s)
and Comments

B-1.

It is recommended the county amend the job descriptions to accurately reflect the direct services that are being provided to crime victims as outlined on the county website.

Objective(s), Conclusion(s), Recommendation(s), and Comments

C. Victim Witness FFA Expenditure Reports

Objective	Were Victim Assistance Fines, Fees, and Assessment funds expended in accordance with State law?
Conclusion	No, the Victim Assistance funds for Orangeburg County were not been expended in accordance with State law.
Background	Victim Services Coordinating Council (VSCC) Approved Guidelines.
Discussion	<p>Prior to conducting the audit site visit on August 29, 2013, SOVA requested and reviewed expenditures from the Orangeburg County Victim Assistance Fund for years 2006 through 2013 to ensure they were expending funds in accordance with the Victim Services Coordinating Council (VSCC) Approved Guidelines.</p> <p>During the audit site visit, SOVA informed the county that prevention services were unallowable and no funds should be spent on prevention publication items or work performed. In addition, SOVA informed the county that expenses related to the candlelight vigil were also unallowable. Although it may be a good gesture, it is not considered direct victim services. The expenses related to the Pinning Ceremony and Victim Advocate Graduation are all unallowable because they are not considered providing direct victim services. Prior to the audit site visit and while reviewing the expenditure reports, it appeared that t-shirts were purchased from the victim assistance fund for the advocates when they attended Victim Rights Week (VRW) in 2013. When asked about this expenditure during the audit site visit, the Director of Victim Services stated they were purchased from another account. Upon review, it appeared the check requests submitted were for the t-shirts to be taken from another account since this is unallowable from the victim assistance fund. However, when the check was written for the expenditure, the invoice showed the t-shirts actually did come from the victim assistance fund.</p>

Discussion Cont.

After reviewing the submitted expenditures, it appears there was **\$1,139.12** in unallowable expenses from the Victim Assistance Fund that will be required to be placed back into the Victim Assistance Fund. These funds were spent on the following items:

- **\$516.35**-The County bought signs and posters to include, but not limited to “Youth Violence Prevention & Awareness”, “Tips on being a good neighbor” and “National Vehicle Theft Safety Awareness (Prevention).
- **\$100.49**-The County paid for a luncheon for the county victim advocates department, local law enforcement and non-profit advocates and a wreath for a candlelight vigil.
- **\$15.98**-The County purchased cups and for the candlelight vigil.
- **\$187.50**-The County purchased cupcakes for a candlelight vigil.
- **\$190.80**-The County purchased deserts for the Victim Advocate graduation.
- **\$80.00**-The County purchased a fruit bowl for a Pinning Ceremony for the Victim Advocate High School Unit.
- **\$48.00**-The County purchased T-shirts for advocates for Victim Rights Week.

During the audit site visit, SOVA inquired about the policies and procedures for the County and the Victim Services Department for requesting and approving expenditures from the Victim Assistance Fund. Copies of the County’s Policies and Procedures for expenditure requests and approval were requested and received to ensure they are in writing. When asked about the policies and procedures for the victim assistance department from the Sheriff’s office, the Director of Victim Services stated their process and procedures included some of the County’s policies in addition to policies that are specific to victim services. The auditor requested copies of the policies and procedures specifically related to the Victim Services department; however, SOVA did not receive these documents. The County Finance Director stated they have written policies and procedures for the request of victim assistance funds, however approval of these requests are finalized prior to it reaching the finance department for payment. Also, once it reaches the finance department and has been approved by the Sheriff’s Business Manager, the check is issued.

Discussion Cont.

The auditor provided technical assistance by going over the “Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties” and recommended the county use them when reviewing request for the victim assistance expenditures prior to their approval to ensure they are allowable requests and expenditures. The Finance Director stated she would use the Approved Guidelines from this point forward to assist in approving victim assistance request.(see C-1)

Also, SOVA recommends the Victim Services department put policies and procedures for requesting and approving expenditures in writing. Because the County Finance department was previously unaware of the Approved Guidelines, it is recommended the County and Sheriff’s Office communicate regularly as needed regarding updates to policies and procedures and ensure copies of written policies and procedures are made available to all parties involved.(see C-2 and C-3)

**SLED
INVESTIGATIONS**

In preparation for this audit, SOVA reviewed a news article by The Associated Press, entitled “Orangeburg County worker charged with embezzlement,” dated June 28, 2013. In the article it stated that an employee of the Orangeburg county Treasurer’s Office had been arrested for stealing thousands of dollars in public money. During the audit site visit, SOVA inquired whether the money stolen involved the victim assistance funds retained by the county. The County Administrator and County Finance Director stated the funds were not related to the victim assistance fund. A second article entitled “SLED investigates finances at Orangeburg County Sheriff’s Department” dated April 6, 2013 was reviewed. It states the South Carolina Law Enforcement Division (SLED) was investigating how 15 bank accounts belonging to the Orangeburg County Sheriff’s Office was not discovered during the previous Sheriff’s tenure. The accounts were uncovered during the County’s annual audit. Again, the County Administrator and County Finance Director was asked whether the accounts discovered included victim assistance funds and both stated, no this did not include the victim assistance fund. Also, the current Sheriff stated the accounts were not related to victim assistance funds as well.

Discussion Cont.

In order to confirm that neither of the SLED cases mentioned involved victim assistance funds, SOVA contacted SLED to obtain a copy of the official reports; however, both investigations were still ongoing and an official report was not available. However, SOVA was informed that the two investigations did not include the Victim Assistance Fund.

Recommendation(s) and Comments

- C-1.** It is recommended the County update their policies and procedures to ensure the Approved Guidelines are used as a resource in providing final approval of expenditures from the Victim Assistance Fund. Also, all expenditures from the Victim Assistance Fund are required to have final approval at the County Administration's level.
- C-2.** It is recommended the Sheriff's Victim Services program put policies and procedures for requesting and approving expenditures specifically from the victim assistance fund in writing and distribute to all parties involved and revise and update as warranted.
- C-3.** It is recommended the County Administrator, County Finance Director and Sheriff's Office communicate regularly (as needed) regarding updates to policies and procedures requesting victim assistance funds and ensure copies of written policies and procedures are made available to all parties involved.

Objective(s), Conclusion(s), Recommendation(s), and Comments

D. Municipal Contracts**Objective**

Were local municipal contracts maintained in accordance with the State Office of Victim Assistance (SOVA) guidelines?

Conclusion

No, Orangeburg County has not maintained local municipal contracts in accordance with the State Office of Victim Assistance guidelines. The County did not utilize the currently updated requirements for developing victim service contracts and were not providing monthly, quarterly and year-end reports for services provided to contracting municipalities as required.

Background

State Office of Victim Assistance Sample Contract and Contract Instructions

Discussion

During the FY 09-10 SOVA budget review, SOVA noted that Orangeburg County provided crime victim services for several local municipalities that were retaining Victim Assistance Fines, Fees and Assessments on a monthly basis; however, the county received no funds to provide those services. During the site visit, SOVA advised the County that they needed to contact these municipalities and setup contracts stating what services will be provided by the county and request the municipality transfer its' victim assistance funds to the county for providing these services. In 2011, the county originally contracted with 3 local municipalities; however, since then the Town of Vance has closed and has no police department which leaves the county with 2 remaining contracts with The Towns of Rowesville and Holly Hill.

**CONTRACT
GUIDELINES**

In May of 2013, SOVA updated the contract guidelines for victim assistance contracts. Prior to the updates, the county maintained the municipal contracts in accordance with the guidelines. During the audit site visit on August 29, 2013, SOVA inquired if the county was aware of the updated guidelines for municipal contracts.

Discussion Cont.

At that time, the auditor provided technical assistance by reviewing the updated guidelines with the Sheriff, Director of Victim Services and the Sheriff's Business Manager. The Director of Victim Services stated they were aware of the updates and the contracts were recently updated to meet the guidelines. Copies of the contracts were requested and submitted by the county on September 3, 2013 while the audit was being prepared; however; upon review of the renewed contracts, it appeared the contracts were still in the older version format and do not answer all questions outlined in the revised contract instructions currently listed on the SOVA website. It is recommended that the county utilize the contract instructions and sample contract format located on the SOVA website at www.sova.sc.gov (under the Auditing Section tab) to ensure that all of the questions in the instructions are outlined in detail when the county renews their municipal contracts in the future. The county will be required to submit copies of contracts each year for review to ensure the new contract procedures are implemented.(see D-1)

**STATISTICAL
REPORTS**

The new contract guidelines requires the county providing the services prepare monthly, quarterly and year-end statistical reports to the contracting municipality regarding the number and type of victims serviced and types of services provided. The Director of Victim Services stated that some reports were prepared but not on a monthly basis. It is recommended the county prepare monthly, quarterly, and year-end statistical reports to the municipalities with current contracts.(see D-2)

JOB DUTIES

In addition, SOVA explained that having these contracts gives the county advocates some additional duties and responsibilities that are not outlined on the current job descriptions. Therefore, it is recommended the victim advocate job descriptions be amended to reflect the additional duties and responsibilities related to fulfilling the required terms of the contracts and be placed on file with the Orangeburg County Human Resource office.(see D-3)

Recommendation(s)
and Comments

- D-1.** It is recommended that the county utilize the new contract instructions and sample contract format located on the SOVA website at www.sova.sc.gov (under the Auditing Section tab) to ensure that all of the questions in the instructions and contract are outlined in detail when they renew their municipal contracts in the future.
- D-2.** It is recommended the Sheriff's department Victim Assistance program prepare monthly, quarterly and year-end statistical reports for the municipalities that have contracts with the county.
- D-3.** It is recommended the victim advocate job descriptions be amended to reflect the additional duties and responsibilities related to fulfilling the terms of the contracts and placed on file with the Human Resource Office within the County.

Objective(s), Conclusion(s), Recommendation(s), and Comments

E. Donations

Objective

Were there any donations to non-profit organizations?

Conclusion

Yes, Orangeburg County donated funds in the amount of \$213,811.00 to Citizens Against Sexual Assault (CASA) Family Systems for direct victim services. However, CASA will be required to reimburse the Victim Assistance Fund for unallowable expenses related to salaries and the main office in the amount of **\$55,371.36** regarding donated funds.

Background

Victim Services Coordinating Council (VSCC) Approved Guidelines.

Discussion

While preparing for the audit, SOVA received expenditure reports from Orangeburg County as a part of the pre-requested audit documents. **While reviewing FY 08-09, it was noted there were several donations occurring quarterly to CASA totaling \$213,811.00. Out of the \$213,811.00, there is \$115,559.00 in questionable expenditures related salaries and the main office as outlined in this section and in the recommendations.**

Per Proviso 89.61, it is noted, *“Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget’s approval by the governing body of the entity or non-profit organization.”* At the time of this audit, the county sheriff’s department was aware of this requirement and submitted budget information consistently. However, there were no budgets received from the Finance Director for Orangeburg County. Also, as outlined in the proviso, *“Any entity or non-profit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance.”* **However, since SOVA was not aware of any donations to CASA because the information was not provided in previous budget reports from the county sheriff’s department, all future budget submissions will only be accepted from the county Finance Director.**

Discussion Cont.

During the audit site visit, SOVA inquired about the donations and how the funds were spent. However, there was only supporting documentation submitted via the County Finance Director for one quarter outlining how CASA used the funds that were donated.

Also, SOVA provided technical assistance to the county by reviewing the memo sent on January 29, 2013 by the Director of SOVA regarding donations as well as the donation form to assist any agency giving or receiving victim assistance fund donations and the accountability of those funds.

The memo stated that any agency donating funds to another agency or organization providing direct victim services should ensure the agency donating require the donation request be in written format indicating how funds will be used to provide direct services to crime victims.

As a result of the audit, additional expenditure reports were requested from the Finance Director during the audit site visit for review. During the process of preparing the audit, the county submitted the requested information to show how the donated funds were spent; however, they did not include all the information needed to determine whether the funds were used for direct victim services.

Therefore, an additional request was made from the Finance Director for more detailed expenditure reports as well as job descriptions for positions in which the donated funds were used to pay partial salaries. The information was submitted to SOVA on October 21, 2013; however, the expenditure reports again failed to include the detailed information needed to show funds were used for direct victim services.

However, while reviewing the information that was submitted, the auditor noted 12% of salaries for several positions in CASA were funded with the donation by Orangeburg County. Therefore, SOVA requested job descriptions for the Victim Services Program Manager, Family Advocate, Children Services Manager, Multi-Disciplinary Team Coordinator and Treatment Services Manager as well as an explanation of how they determined the 12% to allocate toward the salaries of these positions. After reviewing the initial job descriptions that were submitted, it appeared that the Family Advocate is allowable; however, the Victim Services Program Manager, Children Services Manager, Multi-Disciplinary Team Coordinator and Treatment Services Manager would not be

allowable because the job descriptions submitted mostly consisted of supervisory and administrative duties and not direct services to crime victims.

During a conversation with the Administrative Coordinator of CASA, it was brought to SOVA's attention that these positions provided direct victim services that were not reflected in the job descriptions submitted to SOVA. The Administrative Coordinator also explained that 12% was used because it seemed like a safe amount to use toward salaries for the positions mentioned above and that they were more than likely spending more time providing direct victim services than what was noted. When asked for documentation kept to support the amount of time these specific staff members actually spent providing direct victim services, CASA could not provide this information. On January 10, 2014, SOVA requested the job descriptions be amended to verify and capture the duties and services provided to crime victims. The amended job descriptions were submitted and reviewed and determined to be allowable. Therefore, in an effort to work with CASA, SOVA allowed the 12% allocated to salaries in the amount of \$35,485.00. However, if funds from donations received in the future are to be allocated for salaries of the personnel mentioned above and any expenses related to their positions, staff must first call SOVA and complete 90 days of Time and Activity Sheets so that an accurate percentage can be calculated by SOVA. This information was provided to the Administrative Coordinator for CASA.

MAIN OFFICE EXPENDITURES

As the documents were reviewed further, it was noted that CASA did not provide the county with monthly, quarterly and year-end reports as required regarding the donations. Also, the expenditure reports submitted noted funds were used for occupancy, utilities, communication and maintenance for the shelter and the main office. However, the expenses related to the shelter were allowable since this is a domestic violence shelter providing direct services to crime victims. But, some expenses related to the main office are questionable because they do not appear to provide direct services to crime victims.

As a result, SOVA requested detailed information directly from CASA for review to determine if expenditures were allowable for the main office since this is the portion that remains in question. CASA submitted the requested

information. Upon review, it appears the following expenditures for the main office were unallowable:

- In FY 08-09, \$9,150.00 for Occupancy and \$1,893.00 for Communications for the main office. (Total \$11,043.00)
- In FY 09-10, \$5,922.00 for Communications for the main office. (Total \$5,922.00)
- In FY 10-11, \$10,600.00 for Occupancy for the main office. (Total \$10,600.00)
- In FY 11-12, \$7,844.00 for Occupancy and \$12,622.00 for Communications for the main office. (Total \$20,466.00)
- In FY 12-13, \$7,844.00 for Occupancy and \$7,047.00 for Communications for the main office. (Total \$14,891.00)

Since SOVA has allowed 12% to be used for salaries, 12% can also be used from the above amounts for the main office as associated with each of the staff in which salaries were allocated. As noted and outlined above, the remaining amount in unallowable expenditures for the main office is \$55,371.36. Therefore, CASA will be required to reimburse the county for the remaining amount of the unallowable expenditures above.

If CASA fails to reimburse the fund in the amount of \$55,371.36, Orangeburg County will be required to reimburse the Victim Assistance Fund because they failed to provide the proper oversight of the donated funds. (see E-5)

As a result of the county's lack of oversight of the donated funds, SOVA recommends the county receive a request letter from any future agencies they wish to donate to as well as detailed monthly, quarterly and year-end reports showing how the funds are to be spent providing direct victim services.(see E-1) In reviewing all documents received from CASA and the county, it appears CASA provided no reports to the County showing direct services and types of services provided to crime victims from the total donated amount of \$213,811.00.

Recommendation(s) **and Comments**

- E-1.** It is recommended the county receive a request letter from any agency they wish to donate to in the future showing how the funds were spent providing direct victim services as well as detailed reports monthly, quarterly and year-end indicating types of victims assisted, services provided and number of victims.
- E-2.** It is recommended all parties involved meet if a donation is warranted to determine how the funds will be donated and spent. Also, SOVA recommends that for future donations that all forms and procedures on SOVA's website be used and followed to account for donated funds.
- E-3.** Per Proviso 89.61, it is noted, *"Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget's approval by the governing body of the entity or non-profit organization."* Also, *"Any entity or non-profit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance."* Therefore, it is recommended that since SOVA was not aware of any donations to CASA because this information was not provided in previous budget reports from the county sheriff's department and the county finance director failed to send a budget, all future budget submissions will only be accepted from the county Finance Director.
- E-4.** It is recommended if CASA fails to reimburse the fund for unallowable expenditures in the amount of \$55,371.36 Orangeburg County will be required to reimburse the Victim Assistance Fund because they failed to provide the proper oversight of the donated funds and did not receive monthly, quarterly and year-end reports on direct services provided and types of services provided to crime victims.

Objective(s), Conclusion(s), Recommendation(s), and Comments

F. State Reporting Requirements

Objective

Has Orangeburg County maintained compliance with State reporting requirements?

Conclusion

No, Orangeburg County has not maintained compliance with State reporting requirements by submitting State Treasurer Revenue Remittance Forms (STRRF's) by the fifteenth of each month. However, they have complied by having an annual audit of their financial statements conducted and submitting an annual victim assistance budget to SOVA.

Background

Section 14-1-207 of the South Carolina Code of Laws

Proviso 89.61

Discussion

REVENUE REMITTANCE

Section 14-1-207(B) of the South Carolina Code of Laws, as amended, states, "*The county treasurer must remit 11.16 percent of the revenue generated by the assessment imposed in subsection (A) to the county to be used for the purposes set forth in subsection (D) and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.*" During the audit review SOVA requested copies of the State Treasurer's Revenue Remittance forms (STRRF's) from the county to confirm the monthly amounts retained for the victim assistance program to ensure funds were submitted by the fifteenth of each month in accordance with State law. After reviewing the submitted STRRF's that were submitted it appeared the County has been making the proper submissions however a number of them were submitted between 2-5 days late. SOVA recommends the county put procedures in place to ensure the STRRF's are submitted on time each month in accordance with State law.

ANNUAL AUDIT

Section 14-1-207(E) of the South Carolina Code of Laws, as amended, states, *“To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county pursuant to Section 4-9-150 must include a review of the accounting controls over the collection, reporting, and distribution of fines and assessments from the point of collection to the point of distribution and a supplementary schedule detailing all fines and assessments collected by the magistrate’s court of that county, the amount remitted to the county treasurer, and the amount remitted to the State Treasurer.”* In preparing for the audit copies of the county’s annual audit was requested and it was noted they have maintained compliance with State law by submitting them each year as required by State law.

SOVA BUDGET SUBMISSION

The county is also required to submit a budget to SOVA each year according to Proviso 89.61 which states, *“Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget’s approval by the governing body of the entity or non-profit organization.”* The county has continued to submit their annual victim assistance budget to SOVA as required.

Recommendation(s) and Comments

F-1.

It is recommended the county develop and implement procedures to ensure the STRRF’s are submitted on time each month in accordance with State law and distributed to all parties involved.

Objective(s), Conclusion(s), Recommendation(s), and Comments

G. Technical Assistance**Documentation Provided**

During our site visit we explained and provided the following documents:

1. Copy of the Legislative Proviso 89.61
2. Copy of a Sample Budget
3. Sample Staff Hired Report
4. Sample Time and Activity Report
5. Sample Expenditure Report
6. VSCC Approved Guidelines
7. Technical Assistance
8. VSP Certification Requirements
9. VA Contracts with Municipalities
10. VA Donations to Non-Profits

Other Matters

There are no other matters.

Corrective Action

Proviso 89.61 states:

“If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty ~~of in~~ the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures ~~in a fiscal year~~. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within ~~ninety~~ thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization’s subsequent fiscal year appropriation. “

Orangeburg County was informed at the site visit conclusion that there appeared to have been some errors as noted in this report. The findings were reviewed with county officials and they were advised that further review by management would be warranted.

The State Office of Victim Assistance completed the site visit on August 29, 2013 and the final report was issued on March 21, 2014.

In June 2014, the State Office of Victim Assistance will schedule to meet with applicable departments in Orangeburg County for the 90-day Follow-up Review and or Audit to address all errors found in this report.

Official Post-Audit Response

The County/City has 5 business days from the date listed on the front of this report to provide a written response to the SOVA Director:

**Larry Barker, Ph.D.
1205 Pendleton St., Room 401
Columbia, SC 29201**

At the end of the five day response period, this report and all post-audit responses (located in the Appendix) will become public information on the State Office of Victim Assistance (SOVA) website:

www.sova.sc.gov



State of South Carolina
Office of the Governor

NIKKI R. HALEY
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

Programmatic Review and Financial Audit Completed by:

Dexter L. Boyd 3/21/14
Dexter L. Boyd, SOVA Field Auditor Date

Reviewed by:

Richelle A. Copeland 3/21/14
Richelle A. Copeland, Sr. Auditor Date

Ethel Douglas Ford 3/21/14
Ethel Douglas Ford, SOVA Program Manager Date

Larry Barker 3/21/14
Larry Barker, Ph.D. Director Date